

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Notice PF-123

For: State and County Offices

FY 2000 PFC Payments

Approved by: Deputy Administrator, Farm Programs



1 Overview

**A
Background**

The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2000, provides producers the option to receive PFC payments for each of FY's 2000 through 2002 as:

- two 50 percent payments
- one 100 percent payment.

Producers must complete a payment request if they wish to receive FY 2000 payments before September 2000.

Notice PF-118 provides FY 2000 PFC payment rates and explains changes to the FY 2000 PFC crop table.

Queries and shell documents were developed to notify producers of the status of their enrolled farms. A previous notice indicated that these queries and shell documents would be broadcast to County Offices. However, the files were included in Beta Release NN instead.

**B
Correction to
Notice PF-122**

This notice is a correction to Notice PF-122.

Continued on the next page

Disposal Date

February 1, 2000

Distribution

State Offices; State Offices relay to County
Offices

Notice PF-123

1 Overview (Continued)

C

Purpose

This notice provides:

- authorization to begin making FY 2000 payments
 - instructions for running queries to prepare producer notification letters
 - procedure for revising payment flags based on payment requests
 - additional requirements before issuing FY 2000 payments.
-

D

Special Instructions

State Offices shall FAX this notice to County Offices immediately upon receipt.

2 Producer Notification Letter, Fact Sheet, and Payment Request

A

Queries and Shell Documents

Eleven queries and 3 shell documents have been developed to create FY 2000:

- producer notification letter (Exhibit 1)
- AMTA Program Information Fact Sheet (Exhibit 2)
- Payment Request (Exhibit 3).

KCMO included these files in Beta Release NN.

Continued on the next page

Notice PF-123

2 Producer Notification Letter, Fact Sheet, and Payment Request (Continued)

B

Processing Queries

To facilitate the mailing and filing of the producer notification letters, County Offices have the option to print the letters in either ZIP Code or farm number order. Each procedure, either PFCLTR00 or PFCLT00A **must** be run separately and **cannot** be run simultaneously because they share common work files.

County Offices shall process the letters for each county in the system according to the following table.

Step	Menu or Screen	Action
1	FAX 250	ENTER "3" or "4", "Application Processing."
2	FAX 07001	ENTER "9", "Common Provisions."
3	MA0000	To process the letters in: <ul style="list-style-type: none">• ZIP Code order, on the command line, type "PFCLTR00,DWPRADJ1," and PRESS "Enter."• farm number order, on the command line, type "PFCLT00A,DWPRADJ1," and PRESS "Enter."

C

Query Listing

A query listing will print each producer name and applicable farm number for which a letter, fact sheet, and payment request should be mailed. The last page of the query list contains the "Total" number of letters that will be generated.

Note: County Offices shall review the query list before taking the option to print the letter to ensure that a producer ID number of "777 77 7777" does not exist in the name and address file. If the ID number "777 77 7777" is not deleted from the Producer or Other Name and Address file before printing the letters, it will result in that producer appearing in the letter that prints for each farm having undesignated shares.

Continued on the next page

2 Producer Notification Letter, Fact Sheet, and Payment Request (Continued)

D

Printing Fact Sheet, Payment Request, and Letter

Two Display Write/36 print option screens will display after printing the query listing.

The first print display allows for printing:

- Information Fact Sheet (Exhibit 2)
- Payment Request (Exhibit 3).

Note: Reproduce Exhibits 2 and 3 locally. Before reproducing Exhibit 2, copy the questions and answers from Exhibit 4 to the reverse side of Exhibit 2. If satisfactory copies cannot be made in the County Office, reproduction and distribution shall be completed by the State Office.

The second print display allows for printing the producer notification letter. A letter will print for each producer listed on the PFC share file and for all owners in the farm producer file on farms with PFC. County Offices shall enter the desired printer ID and PRESS "Enter" on each of the print screens.

E

Sending Letter, Fact Sheet, and Payment Request

County Offices shall:

- send the notification letters with Exhibits 2 and 3 as soon as possible, but **no later than November 5, 1999**

Exceptions:

- Do not send Exhibit 3 if shares are undesignated.
- Do not send the producer notification letter for farms for which a 2000 reconstitution has been requested. See subparagraph 3 C.
- attach a copy of the letter, fact sheet, and payment request to the query printout and file in the 2000 Program Year folder as verification that the documents were mailed.

Note: Send only 1 information fact sheet and 1 payment request to each producer or owner regardless of whether the producer or owner receives multiple notification letters.

Notice PF-123

3 Payment Flags, Reconstitutions, and CCC-505's

A

Payment Flags

For FY 2000 through FY 2002, the payment indicator field in the CCC-478 worksheet process will no longer be updated by County Offices. Producers can choose to receive two 50 percent payments or one 100 percent payment, anytime from October through September of the current FY. Software included in County Release No. 417 allowed County Offices to enter the producers' payment choices in the system.

Note: Previous FY refuse payment and violation flags are carried to the next FY.

As payment requests are received, County Offices shall:

- follow instructions in 1-PF, paragraphs 548 through 551, to enter the payment months and whether the producer is requesting 50 percent payments or a 100 percent payment

Note: Manual tickler files, such as those used for FY 1999 payments, are **not** required for FY 2000. Payment requests for FY 2000 shall be entered for the applicable months immediately upon receipt.

- process reports according to 1-PF, paragraph 683, as often as necessary to ensure that payments are issued according to producer requests.
-

B

Enrollment Dates

The COC payment approval date should reflect the date COC approved CCC-478 for payment. County Offices shall not revise the enrollment date.

C

FY 2000 Reconstitutions

County Offices shall:

- not mail producer notification letters or enclosures to farms for which a FY 2000 reconstitution has been requested

Note: Review FY 2000 reconstitution requests after running the queries, and remove applicable letters and enclosures.

- process FY 2000 reconstitutions as soon as possible after installing County Release No. 417. These producers will then be mailed notification to enroll the resulting farms within 30 calendar days, and are entitled to request payments at any time during the FY.
-

Continued on the next page

Notice PF-123

3 Payment Flags, Reconstitutions, and CCC-505's (Continued)

D **Processing** **CCC-505's**

CCC-505's effective for FY 2000:

- may be processed after sending producer notification letters, because the letters do not indicate PFC contract acreage
 - shall be processed as soon as possible **after** installing County Office Release No. 417 and before issuing payments to ensure the correct PFC acreage is on CCC-478 for FY 2000.
-

4 Payment Authorization

A **County Office** **Action**

County Offices:

- are authorized to issue FY 2000 PFC payments upon receipt of this notice
 - shall issue payments to only those producers who have requested payment and who meet all other eligibility requirements
 - shall follow instructions provided in paragraphs 2 and 3 of this notice as soon as possible to ensure proper producer notification of payment options available for FY 2000.
-

B **Obsolete Notice**

Notice PF-122 is obsolete.

Producer Notification Letter

**UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY
(Print on County Office Letterhead)**

[current date]

Farm Number XXXX

Name
Address
City, State, ZIP Code

Dear _____,

You are listed as either an Owner or Producer on a Production Flexibility Contract (Form CCC-478) for the farm number shown above. For fiscal year 2000, the contract shows the following crops, producers, and producer payment shares:

Crop	Producer	2000 Payment Share
------	----------	--------------------

The contract shows the following crops and shares are "UNDESIGNATED".

Please review the enclosures for information concerning the AMTA Program and instructions concerning the above share information.

Important: All payment shares must be designated by August 1, 2000, and all necessary signatures obtained on the PFC before any payments can be issued. Once designated, any changes to the farming operation, including, but not limited to payment shares and change of operators, must be reported to FSA on or before August 1, 2000. Failure to report changes by August 1, 2000, may result in **all** producers on the farm being ineligible for FY 2000 PFC payments.

Sincerely,

/s/

COUNTY EXECUTIVE DIRECTOR
COUNTY FSA OFFICE

Enclosure(s)

Producer Name, Farm Number XXXX

Information Fact Sheet

**2000 FISCAL YEAR AMTA
PROGRAM INFORMATION****Payment Options:**

Producers have the option to receive fiscal year 2000 PFC payments as two 50 percent payments or a 100 percent payment. Producers who wish to receive a 50 percent payment or a 100 percent payment prior to September 2000, must complete the enclosed payment request form and return it to the county office.

Note: The payment request form will be sent only to those producers with designated shares for FY 2000. Producers who designate shares but who do not return a completed payment request form will receive their entire FY 2000 payment in September 2000, if all other eligibility requirements are met.

Planting Fruits and Vegetables:

Planting fruits and vegetables (FAV's) on contract acreage may adversely affect your program benefits. Please contact this office before you plant or lease land for FAV production to discuss acreage reporting requirements, and prevention of possible violation of FAV provisions, payment reductions, and severe penalties.

Crop Insurance:

To be eligible for program benefits, you must obtain at least the catastrophic (CAT) level of crop insurance in all counties for each crop of economic significance in which you have an interest, or, sign a waiver that waives any eligibility for emergency crop loss assistance in connection with the crop(s). Continuous crop insurance policies remain in effect unless you cancel the policy. Proof of insurance or a signed waiver must be on file in the county FSA office in order for you to be eligible for payment. If you elect to not insure a crop, a written request to cancel a policy must be provided to your insurance agent on or before the crop's cancellation date. Signing a waiver does not negate your requirement to either pay the administrative fee or timely cancel the policy. Failure to pay the administrative fee on policies not timely canceled will result in a breach of contract, and you will be ineligible for all applicable USDA benefits.

Changes in Farming Operation:

Failure to notify FSA of changes in your farming operation may adversely impact your eligibility for USDA benefits. You should also be aware of Highly Erodible Land Conservation, Wetland Conservation, Payment Eligibility, and Payment Limitation provisions, which impact your eligibility for PFC payments. Changes to your farming operation may include, but are not limited to, a change in the structure of your farming operation or changes in your rental arrangement. Failure to report changes to your operation by August 1, 2000, may result in ineligibility for PFC benefits.

Farm Specific Crop and Share Information:

The enclosed letter provides specific information about the status of your farm. If you have previously designated payment shares for FY 2000, please review the enclosed letter, and contact this office to revise the PFC contract if the payment shares are currently incorrect or if they are subsequently changed. Failure to report changes by August 1, 2000, may result in no PFC payments earned on the farm, for all producers, for the entire fiscal year.

Additional Information:

Please refer to the questions and answers on the reverse side of this page for more information. If you have questions on any of the enclosed information, please contact your local FSA office.

PFC Payment Request

**UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY
(County Office address and telephone number)**

The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2000, gives producers the option to receive fiscal year 2000 PFC payments as two 50 percent payments or a 100 percent payment.

Instructions:

If you are shown on the enclosed letter as receiving a share of the PFC payment, and wish to receive two 50 percent payments or a 100 percent payment prior to September 30, 2000, complete the information below and return it to this office at the above address.

Note: If this form is not returned, your entire fiscal year 2000 PFC payment will be issued in September 2000, if all other eligibility requirements are met.

You must visit this office at the above address if either of the following apply:

- payment shares are listed incorrectly
- payment shares are shown as "UNDESIGNATED" and you believe you are eligible to share in the fiscal year 2000 PFC payment.

I receive a payment share on the Farm Number(s) indicated below, and request my 50 percent payments or 100 percent payment for fiscal year 2000 as follows:

50 Percent Payments**Farm Number(s)**

50 percent in: _____
Month

50 percent in: _____
Month

100 Percent Payment**Farm Number(s)**

100 percent in: _____
Month

Signature

Date

Frequently Asked Questions for Production Flexibility Contracts

Question 1: Is the owner's signature required for land that is cash rented?

Answer: Obtaining the owner's signature on the PFC is an option, but it is not the only one. For a cash rented farm, the tenant may receive payment before June 30, 2000, if one of the following applies:

- the owner signs for a zero share on the PFC for FY 2000
- a copy of a cash rent lease (or other document signed by the owner) is submitted, which includes the 2000 crop year. A letter from the owner is satisfactory.

Note: A cash rent self-certification statement signed by the tenant may be accepted after June 30, 2000.

Question 2: Can one producer get a payment if all producers sharing in the PFC payment have not signed?

Answer: The general rule is no, although there is an exception which allows payment if all owners have signed and the shares are not in dispute. Otherwise, payment cannot be issued for a crop until everyone sharing in that payment has signed the PFC. However, each producer on the farm can elect to receive payments at different times during the fiscal year.

Question 3: If a tenant leases a farm for 2000 and receives a PFC payment (either 50 or 100 percent) in November 1999, then, because of personal circumstances, turns the farm back over to the owner in March 2000, is the tenant required to refund the payment?

Answer: The statute requires that if a producer loses or transfers interest in the farm, the PFC with that producer must be terminated by FSA unless a new producer agrees to succeed to the PFC. If the previous tenant (predecessor) was the eligible producer on the farm when payment was issued, the predecessor is not required to refund the payment to FSA provided that the new producer (successor) succeeds to the PFC. However, the successor will not receive any of the payments issued to the predecessor. If there is not a timely succession to the PFC by the successor on the farm, FSA must terminate the PFC for FY 2000 and all previous payments to the predecessor for FY 2000 must be refunded.

Question 4: What producers are eligible to receive PFC payments?

Answer: All producers who share in the risk of producing crops grown on **contract** acreage, or who would share if crops were planted, must share in the PFC payment. Producers with no risk in crops grown on contract acreage, including but not limited to, owners who have leased the contract acreage out for cash, cannot receive a share of the PFC payment. Producers with risk only in crops grown on noncontract acreage cannot receive a share of the PFC payment.

Question 5: If I make a change in my farming operation, but fail to notify FSA by August 1, 2000, what are the consequences?

Answer: Changes not reported to FSA by August 1, 2000, may result in ALL producers on the farm being ineligible for 2000 Fiscal Year PFC payments and the required refund of amounts previously paid on the farm.